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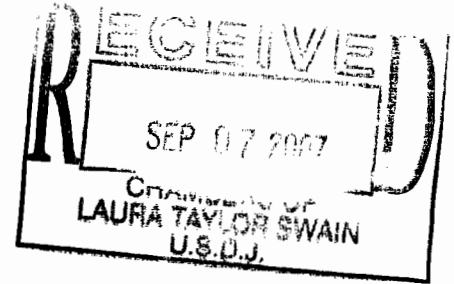
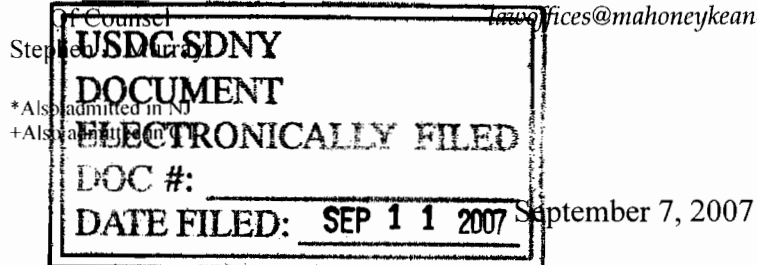
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BY HAND

The Honorable Laura Taylor Swain
United States District Court
United States Courthouse
500 Pearl Street
New York, NY 10007

Re: NYKLauritzenCOOL AB v. KELSO
ENTERPRISES and PACIFIC FRUIT INC.
Docket No. 07 CV 3520 (LTS)(HBP)
Our File No. 12/3316

Honorable Madam:

We represent Plaintiff, NYKLauritzenCOOL, in the above-referenced matter and write, with concurrence of defense counsel, to report on the status of same, as well as to request an adjournment of the scheduled Pretrial Conference for September 12, 2007.

Counsel have agreed to dismiss without prejudice the claims in the subject matter against one of the two defendants, specifically Pacific Fruit Inc. Those claims are now the subject of arbitration before the Society of Maritime Arbitrators, the panel consisting of Mr. David W. Martowski as chairman, Mr. Anthony Siciliano and Mr. Joseph Wiener. We will follow shortly with a Stipulation of Dismissal as to PACIFIC FRUIT in accord with our agreement.

The remaining claims in the lawsuit are against KELSO Enterprise and are sought to be maintained, *inter alia*, in order to obtain security for any judgment ultimately awarded the plaintiff. However, in that respect the parties are in the process of ongoing discussions concerning providing both security from KELSO to the plaintiff, as well as counter-security to KELSO from the plaintiff. We are hopeful those discussions may ultimately obviate the need for the litigation claim against KELSO as well.

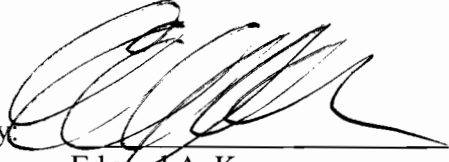
MEMO ENDORSED

IT IS ORDERED that counsel to whom this Memo Endorsement is sent is responsible for faxing or otherwise delivering promptly a copy to all counsel and unrepresented parties and filing a certificate of such service within 5 days from the date hereof. Do not fax such certification to Chambers.

We respectfully ask the Court for an additional 45 days to see whether further negotiations can either remove the necessity of the litigation in the Southern District or at least streamline the issues presented to the Court.

Respectfully submitted,

MAHONEY & KANE, LLP

By 
Edward A. Keane

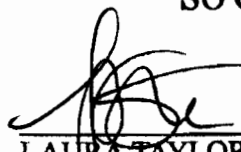
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CC: VIA FAX (212) 267-5767

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The conference is adjourned to
October 29, 2007 at 4:00 pm and
the related deadlines are modified
accordingly.

SO ORDERED.

 9/10/2007
LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE